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**For Immediate Release**

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**Notice Concerning the Proposed Acquisition of  
Trust Beneficiary Rights in Real Estate**

Daiwa House Residential Investment Corporation (“DHI”) announced its decision today to acquire trust beneficiary rights in real estate as follows:

1. Acquisition Background and Rationale

DHI decided to acquire Castalia Hatsudai II, Castalia Ebisu, Castalia Meguro Chojyamaru, Castalia Meguro Takaban, Castalia Omori III and Castalia Musashikosugi (the “Acquisitions”) in order to enhance and diversify the portfolio and secure stable revenue over the medium to long term, etc. based on the investment policy set forth in DHI’s Articles of Incorporation.

2. Acquisition Details

(1) Acquisition Details

	Property name (Note 1)	Acquisition price (planned) (Note 2)	Seller
Property 1	Castalia Hatsudai II (IPSE Hatsudai)	¥1,900,000,000	Limited liability company in Japan (Note 3)
Property 2	Castalia Ebisu (IPSE Ebisu)	¥1,420,000,000	
Property 3	Castalia Meguro Chojyamaru (IPSE Meguro)	¥2,030,000,000	
Property 4	Castalia Meguro Takaban (IPSE Meguro Takaban)	¥1,750,000,000	
Property 5	Castalia Omori III (IPSE Omori DUO)	¥1,520,000,000	
Property 6	Castalia Musashikosugi (IPSE Musashikosugi)	¥1,680,000,000	
	Total (6 properties)	¥10,300,000,000	—

*This English language notice is a translation of the Japanese language notice and was prepared solely for the convenience of, and reference by, overseas investors. DHI makes no warranties as to its accuracy or completeness.*

(Note 1) DHI is scheduled to change the property name of the assets above. Accordingly, the name after the change is shown with the name as of today shown in parentheses.

(Note 2) Excluding such amounts as expenses related to acquisition, amount equivalent to reimbursement of taxes and dues, etc., and amount equivalent to consumption taxes.

(Note 3) No name, etc. is shown as the seller has not consented to such disclosure. Please note that the seller does not constitute a party with particular vested interest in DHI or the Asset Manager.

(2) Scheduled execution date of the sale and purchase agreement  
September 27, 2013

(3) Scheduled acquisition date  
September 27, 2013 or on a date agreed upon by the seller and DHI.

(4) Acquisition funds  
The property will be bought using funds from debt financing outlined in the press release “Notice Concerning Debt Financing” separately announced today and cash on hand.

(5) Method of settlement  
Payment of entire amount upon delivery.

### 3. Asset Description

#### (1) Property 1 Castalia Hatsudai II

<b>Name and Location, etc. of Respective Real Estate</b>			
Type of specified asset	Beneficiary right in trust that places real estate in trust		
Present titleholder	Limited liability company in Japan (Note 1)		
Trustee	Sumitomo Mitsui Trust Bank, Limited		
Expiration date of trust period	September 30, 2023		
Location	Lot number	1-33-6, Honmachi, Shibuya-ku, Tokyo	
	Residence indication	1-33-7, Honmachi, Shibuya-ku, Tokyo	
Land	Form of ownership	Proprietary ownership	
	Site area	1,264.43m <sup>2</sup> (Note 2)	
	Zoning	Class 1 residential zone	
	Building coverage ratio / Floor area ratio	60% / 300%	
Building	Form of ownership	Proprietary ownership	
	Usage	Apartment complex	
	Total floor area	3,245.71m <sup>2</sup>	
	Structure / Number of floors	RC structure, 5F / B1F	
	Construction completion date	January 31, 2008	
<b>Overview of Leasing (as of August 31, 2013)</b>			
Total number of tenants	1	Monthly rent (incl. common area charges)	¥9,646 thousand
Number of leasable units	56	Deposits, guarantees, etc.	¥13,453 thousand
Number of leased units	52	Occupancy rate	93.4%
Leasable floor area	2,339.42m <sup>2</sup>		
Leased floor area	2,184.18m <sup>2</sup>	<b>Breakdown of Residential Unit Type</b>	
Type	As a percentage of total number of units	Property management company	Daiwa Living Co., Ltd. (planned)
Compact Type	89%	Master lease company	Daiwa Living Management

			Co., Ltd. (planned)
Family Type	11%	Master lease type	Pass-through type
<b>Engineering Report</b>			
Building investigation agency	Tokio Marine & Nichido Risk Consulting Co., Ltd.	Earthquake resistance investigation agency	Tokio Marine & Nichido Risk Consulting Co., Ltd.
Report date	September 2013	Report date	July 2013
Emergency repair expenses	0	Earthquake probable maximum loss	4.9%
Short-term repair expenses (within 1 year)	0	Soil environment investigation agency	Tokio Marine & Nichido Risk Consulting Co., Ltd.
Long-term repair expenses (next 12 years)	¥31,133 thousand	Report date	September 2013
Building replacement cost	¥630,500 thousand	Summary of engineering report	No matters were pointed out in particular.
<b>Building Developer, Designer, Structural Designer, Building Contractor and Building Confirmation Agency</b>			
Building developer	MORIMOTO Co., Ltd.	Building contractor	Nakano Corporation
Building designer	atelier NANJO inc.	Building confirmation agency	Tokyo Bldg-Tech Center Co., Ltd
Structural designer	Orimoto Structural Engineers		
<b>Other Information</b>			
(Note 1) No name, etc. is shown as the seller has not consented to such disclosure. Please note that the present titleholder does not constitute a party with particular vested interest in DHI or the Asset Manager.			
(Note 2) The road on the northeast side (private road) and the road on the southwest side of the property are roads as stipulated in Article 42, Paragraph 2 of the Building Standards Act. Therefore, there is a setback upon construction of the property's building.			
<b>Location Environment and Other Property Characteristics</b>			
The property is located approximately eight minutes' walk from Hatsudai Station on the Keio New Line and there is mutual direct train service between the Keio New Line and the Toei Shinjuku Line, meaning the terminal station Shinjuku Station is conveniently accessible from the nearest station in one station in approximately three minutes. The property is in a residential district of mainly detached housing and low-rise apartment buildings with relatively little vehicular traffic in the surrounding area, forming a peaceful living environment and making it a district boasting excellent living comfort.			
<b>Matters of Special Note</b>			
N/A			

[Explanation of Entries in Table Above (same for properties below)]

The summary of the respective real estate in trust is the information as of August 31, 2013, unless otherwise specified.

a. Explanation of "Name and Location, etc. of Respective Real Estate"

- (i) "Present titleholder" is the parties that sold the real estate, etc. to DHI.
- (ii) "Trustee" is the trustee or the party that is scheduled to become the trustee of the to-be-acquired asset.
- (iii) "Location (Lot number)" is the lot number as indicated in the register, and "Location (Residence indication)" is the residence indication of the asset to be acquired as indicated in the register (for properties without residence indication, the location of the building is as indicated in the register (only one location is indicated for properties that have several locations)).
- (iv) "Form of ownership" for the land and building are the kind of rights held by the trustee for the asset scheduled for acquisition.
- (v) "Site area" for the land is the area of the land recorded in the register.
- (vi) "Zoning" for the land is the zoning provided in Article 8, Paragraph 1, Item 1 of the City Planning Act.
- (vii) "Building coverage ratio" for the land is the ratio of the building area of the building to the site area as stipulated in Article 53 of the Building Standards Act and is the maximum figure of the building coverage ratio determined by city planning in accordance with the zoning, etc. (designated building coverage ratio). Designated building coverage ratios may be relaxed / increased, or decreased, since the building is a fireproof building in a fire prevention district, or for other reasons. Therefore it may differ from the actual building coverage ratio to be applied.
- (viii) "Floor area ratio" for the land is the ratio of the total floor area of the building to the site area as stipulated in Article 52 of the Building Standards Act and is the maximum figure of the floor area ratio determined by city planning in accordance with the zoning, etc. (designated floor area ratio). Designated floor area ratios may be relaxed / increased, or decreased, since the width of the road adjacent to the site, or for other reasons. Therefore it may defer from the actual floor area ratio to be applied.
- (ix) "Usage" for the building is the primary use out of the types recorded in the register.
- (x) "Total floor area" for the building is the sum total of the floor area recorded in the register.
- (xi) "Structure / Number of floors" for the building is the structure recorded in the register.  
"Structure / Number of floors" entries use the following acronyms.  
RC: Reinforced concrete structure      SRC: Steel reinforced concrete structure      S: Steel framed structure
- (xii) "Construction completion date" for the building is when construction was completed as recorded in the register.

b. Explanation of “Overview of Leasing”

- (i) “Overview of Leasing” numerical figures and information are based on information as of August 31, 2013 and have been derived based on numerical figures and information granted us from the previous owner of the asset scheduled for acquisition.
- (ii) “Total number of tenants” enters the number of tenants as 1 if there is a master lease agreement concluded with the sublessee. In the foregoing case, the number of leased units is calculated on the assumption that consent for the sublessee to become the lessor has been obtained from all end-tenants. The entry is 1 tenant when 1 party leases multiple rental units.
- (iii) “Number of leasable units” is the number of units of the asset scheduled for acquisition that is leasable as of August 31, 2013.
- (iv) “Number of leased units” is the number of units for which a lease agreement has been concluded with an end-tenant for the asset scheduled for acquisition as of August 31, 2013.
- (v) “Leasable floor area” is the floor area of the real estate in trust that is leasable based on information as of August 31, 2013.
- (vi) “Leased floor area” is the sum total of the floor area of the asset scheduled for acquisition entered in the lease contract concluded with end-tenants as of August 31, 2013. However, where there is clearly an error in the lease contract entry, that based on information received from the previous titleholder of the acquired asset, completion drawings, etc. is shown.
- (vii) “Monthly rent (incl. common area charges)” is, in principle, in the case where the master lease type is the pass-through type, the sum total amount of the monthly rent (including common area charges, but excluding the monthly use fees for parking space, trunk room and other ancillary facilities and consumption taxes etc.) entered in the lease contract, etc. concluded between the master lease company or the titleholder of the real estate / real estate in trust and end-tenants. In addition, in the case where the master lease type is the rent-guaranteed type, it is the sum total amount of the guaranteed amount of monthly rent (including common area charges, but excluding the monthly use fees for parking space, trunk room and other ancillary facilities and consumption taxes, etc.) entered in the rent-guaranteed sublease contract concluded between the master lease company and the titleholder of the real estate / real estate in trust or the rent-guaranteed sublease contract concluded between the master lease company and the sublessee to which the master lease company is blanket subleasing. However, in the case where agreements of different master lease types are concluded, it is the sum total amount of the monthly rent of the pass-through type and monthly rent of the rent-guaranteed type. Amounts are rounded down to the nearest thousand yen.
- (viii) “Deposits, guarantees, etc.” is, in principle, in the case where the master lease type is the pass-through type, the sum total of the balance of the deposits, guarantees, etc. that must be returned to end-tenants based on the lease agreement concluded between the master lease company or the titleholder of the real estate / real estate in trust and end-tenants, rounded down to the nearest thousand yen. However, in the case where there is a portion that need not be returned due to special provisions for non-refundable deposits, amortization of deposits, etc. in lease agreements, the amount after deducting the concerned amount is shown. In addition, in the case where the master lease type is the rent-guaranteed type, it is the balance of the deposits, guarantees, etc. based on the rent-guaranteed lease contract concluded between the master lease company and the titleholder of the real estate / real estate in trust or the rent-guaranteed sublease contract concluded between the master lease company and the sublessee to which the master lease company is blanket subleasing. However, in the case where agreements of different master lease types are concluded, it is the sum total amount of the deposits, guarantees, etc. of the pass-through type and deposits, guarantees, etc. of the rent-guaranteed type. Amounts are rounded down to the nearest thousand yen.
- (ix) “Occupancy rate” is the ratio of leased floor area to leasable floor area of the asset scheduled for acquisition, rounded to one decimal place.
- (x) “Property management company” is the property management company that, as of today, is delegated property management services for the asset scheduled for acquisition.
- (xi) “Master lease company” is the lessee that has a blanket lease agreement concluded with the Present titleholder for the purpose of subleasing to third parties.
- (xii) “Master lease type” is “Pass-through type” when the master lease agreement concluded is not one based on payment of a guaranteed amount of rent, while it is “Rent-guaranteed type” when the master lease agreement concluded is one based on payment of a guaranteed amount of rent. With “Pass-through type,” rent is received only when subleasing actually takes place.

c. Explanation of “Breakdown of Residential Unit Type”

- (i) “Breakdown of Residential Unit Type” is based on the following classification.

	Exclusive-use floor area
Compact Type	60m <sup>2</sup> or less
Family Type	More than 60m <sup>2</sup>

- (ii) “As a percentage of total number of units” is the ratio of the number of leasable units of the residential unit type to the number of leasable units of the asset scheduled for acquisition, rounded to one decimal place. Accordingly, the sum total of the entered percentages does not necessarily add up to 100.0%.

d. Explanation of “Engineering Report”

- (i) “Engineering Report” is based on the entries in the engineering report prepared for the asset scheduled for acquisition.
- (ii) “Earthquake probable maximum loss” represent the probable maximum loss from an earthquake as being the amount of probable loss of damage that may result from an earthquake having 0.21% annual exceedance probability (475-year return period) expressed as a percentage (%) of the replacement cost (Note).

(Note) Replacement cost: Refers to the expenses that will be incurred if the existing building is to be newly constructed at the time of investigation.

e. Explanation of “Other Information”

“Other Information” provides an explanation of matters that need to be noted with respect to the entries of the items in the summary of the asset scheduled for acquisition.

f. Explanation of “Location Environment and Other Property Characteristics”

“Location Environment and Other Property Characteristics” is, in principle, based on the entries of real estate appraisal reports for the asset scheduled for acquisition.

g. Explanation of “Matters of Special Note”

“Special Notation” presents matters recognized to be of importance in terms of the rights, use, etc. of assets, as well as matters recognized to be of importance in consideration of the degree of impact on the appraised value, profitability and appropriation of assets, including the following matters.

- (i) Significant limitations or restrictions by laws, ordinances, rules and regulations
- (ii) Significant burdens or limitations pertaining to rights, etc.
- (iii) Significant cases where there are buildings, etc. crossing the boundaries of real estate in trust and cases where there are issues with boundary confirmation, etc.; and related arrangements, etc.
- (iv) Significant agreements, arrangements, etc. made with co-owners or condominium unit owners

(2) Property 2 Castalia Ebisu

<b>Name and Location, etc. of Respective Real Estate</b>			
Type of specified asset	Beneficiary right in trust that places real estate in trust		
Present titleholder	Limited liability company in Japan (Note 1)		
Trustee	Sumitomo Mitsui Trust Bank, Limited		
Expiration date of trust period	September 30, 2023		
Location	Lot number	3-28-6, Ebisu, Shibuya-ku, Tokyo	
	Residence indication	3-15-6, Ebisu, Shibuya-ku, Tokyo	
Land	Form of ownership	Proprietary ownership	
	Site area	578.83m <sup>2</sup> (Note 2)	
	Zoning	Class 1 residential zone, Class 1 low-rise exclusive residential district	
	Building coverage ratio / Floor area ratio	60% / 300% • 60% / 150%	
Building	Form of ownership	Proprietary ownership	
	Usage	Apartment complex	
	Total floor area	1,952.96m <sup>2</sup>	
	Structure / Number of floors	RC structure, 9F / B1F	
	Construction completion date	October 31, 2007	
<b>Overview of Leasing (as of August 31, 2013)</b>			
Total number of tenants	1	Monthly rent (incl. common area charges)	¥6,746 thousand
Number of leasable units	36	Deposits, guarantees, etc.	¥11,254 thousand
Number of leased units	33	Occupancy rate	89.4%
Leasable floor area	1,659.71m <sup>2</sup>		
Leased floor area	1,483.77m <sup>2</sup>	<b>Breakdown of Residential Unit Type</b>	
Type	As a percentage of total number of units	Property management company	Daiwa Living Co., Ltd. (planned)
Compact Type	83%	Master lease company	Daiwa Living Management Co., Ltd. (planned)
Family Type	17%	Master lease type	Pass-through type
<b>Engineering Report</b>			
Building investigation agency	Tokio Marine & Nichido Risk Consulting Co., Ltd.	Earthquake resistance investigation agency	Tokio Marine & Nichido Risk Consulting Co., Ltd.
Report date	September 2013	Report date	July 2013
Emergency repair expenses	0	Earthquake probable maximum loss	3.4%
Short-term repair expenses (within 1 year)	0	Soil environment investigation agency	Tokio Marine & Nichido Risk Consulting Co., Ltd.
Long-term repair expenses	¥21,038 thousand	Report date	September 2013



(next 12 years)			
Building replacement cost	¥433,900 thousand	Summary of engineering report	No matters were pointed out in particular.
<b>Building Developer, Designer, Structural Designer, Building Contractor and Building Confirmation Agency</b>			
Building developer	MORIMOTO Co.,Ltd.	Building contractor	FUJIKO Co.,Ltd
Building designer	AAE first-class architect office	Building confirmation agency	UHEC Co.,Ltd.
Structural designer	Kozo keikaku plus one Co., Ltd.		
<b>Other Information</b>			
(Note 1) No name, etc. is shown as the seller has not consented to such disclosure. Please note that the present titleholder does not constitute a party with particular vested interest in DHI or the Asset Manager.			
(Note 2) The road on the south side and the road on the west side of the property are roads as stipulated in Article 42, Paragraph 2 of the Building Standards Act. Therefore, there is a setback upon construction of the property's building (area: approximately 39.51 m <sup>2</sup> ).			
<b>Location Environment and Other Property Characteristics</b>			
The property is located approximately thirteen minutes' walk from Ebisu Station on the JR Yamanote Line and is also in close proximity to downtown Tokyo, making it an area that is highly popular as a residential district. The property stands in a quiet residential environment in a residential district lined with detached housing and apartment buildings with relatively little traffic in the surrounding area, forming a peaceful living environment. The property is also approximately seven minutes' walk from Yebisu Garden Place, which opened in 1994. The property is a winner of the Good Design Award 2008.			
<b>Matters of Special Note</b>			
N/A			

### (3) Property 3 Castalia Meguro Chojyamaru

<b>Name and Location, etc. of Respective Real Estate</b>			
Type of specified asset	Beneficiary right in trust that places real estate in trust		
Present titleholder	Limited liability company in Japan (Note 1)		
Trustee	Sumitomo Mitsui Trust Bank, Limited		
Expiration date of trust period	September 30, 2023		
Location	Lot number	2-270-4, Kamiosaki, Shinagawa-ku, Tokyo	
	Residence indication	2-8-1, Kamiosaki, Shinagawa-ku, Tokyo	
Land	Form of ownership	Proprietary ownership	
	Site area	1,305.87m <sup>2</sup> (Note 2)	
	Zoning	Class 1 low-rise exclusive residential district	
	Building coverage ratio / Floor area ratio	60% / 150%	
Building	Form of ownership	Proprietary ownership	
	Usage	Apartment complex	
	Total floor area	2,926.24m <sup>2</sup>	
	Structure / Number of floors	RC structure, 3F / B1F	
	Construction completion date	February 6, 2008	
<b>Overview of Leasing (as of August 31, 2013)</b>			
Total number of tenants	1	Monthly rent (incl. common area charges)	¥ 10,065 thousand
Number of leasable units	61	Deposits, guarantees, etc.	¥ 13,151 thousand
Number of leased units	58	Occupancy rate	94.4%
Leasable floor area	2,123.77m <sup>2</sup>		
Leased floor area	2,004.57m <sup>2</sup>	<b>Breakdown of Residential Unit Type</b>	
Type	As a percentage of total number of units	Property management company	Daiwa Living Co., Ltd. (planned)
Compact Type	100%	Master lease company	Daiwa Living Management Co., Ltd. (planned)
Family Type	—	Master lease type	Pass-through type
<b>Engineering Report</b>			
Building investigation agency	Tokio Marine & Nichido Risk Consulting Co., Ltd.	Earthquake resistance investigation agency	Tokio Marine & Nichido Risk Consulting Co., Ltd.
Report date	September 2013	Report date	July 2013

Emergency repair expenses	0	Earthquake probable maximum loss	3.1%
Short-term repair expenses (within 1 year)	0	Soil environment investigation agency	Tokio Marine & Nichido Risk Consulting Co., Ltd.
Long-term repair expenses (next 12 years)	¥28,417 thousand	Report date	September 2013
Building replacement cost	¥584,100 thousand	Summary of engineering report	No matters were pointed out in particular.
<b>Building Developer, Designer, Structural Designer, Building Contractor and Building Confirmation Agency</b>			
Building developer	MORIMOTO Co.,Ltd.	Building contractor	SATOHIDE Corporation
Building designer	Izumu Kenchiku Keikaku Co., Ltd.	Building confirmation agency	E-house Building Center
Structural designer	MAT Kozo Sekkei		
<b>Other Information</b>			
(Note 1) No name, etc. is shown as the seller has not consented to such disclosure. Please note that the present titleholder does not constitute a party with particular vested interest in DHI or the Asset Manager.			
(Note 2) The road on the west side of the property is a road as stipulated in Article 42, Paragraph 2 of the Building Standards Act. Therefore, there is a setback upon construction of the property's building (area: approximately 14.57 m <sup>2</sup> ).			
<b>Location Environment and Other Property Characteristics</b>			
The property is located approximately seven minutes' walk from Meguro Station on the JR Yamanote Line. Meguro Station is serviced by several lines, including the JR Yamanote Line, Tokyo Metro Namboku Line, Toei Mita Line and Tokyu Meguro Line. The property stands in one of Tokyo's leading upscale residential districts known as Chojamaru, which is adjacent to the former imperial estate Shirogkne Goryochi, and is an area with outstanding convenience in that there are various lifestyle facilities in place. The surrounding area has a mix of general detached housing and low-rise apartment buildings and there is also little vehicular traffic, forming a peaceful living environment. The property is a winner of the Good Design Award 2008.			
<b>Matters of Special Note</b>			
N/A			

#### (4) Property 4 Castalia Meguro Takaban

<b>Name and Location, etc. of Respective Real Estate</b>			
Type of specified asset	Beneficiary right in trust that places real estate in trust		
Present titleholder	Limited liability company in Japan (Note)		
Trustee	Sumitomo Mitsui Trust Bank, Limited		
Expiration date of trust period	September 30, 2023		
Location	Lot number	1-61-1, Takaban, Meguro-ku, Tokyo	
	Residence indication	1-6-19, Takaban, Meguro-ku, Tokyo	
Land	Form of ownership	Proprietary ownership	
	Site area	1,437.37m <sup>2</sup>	
	Zoning	Class 1 medium- to high-rise exclusive residential district	
	Building coverage ratio / Floor area ratio	60% / 200%	
Building	Form of ownership	Proprietary ownership	
	Usage	Apartment complex	
	Total floor area	2,462.05m <sup>2</sup>	
	Structure / Number of floors	RC structure, 6F	
	Construction completion date	September 10, 1969 (Renovation construction date: August 17, 2007)	
<b>Overview of Leasing (as of August 31, 2013)</b>			
Total number of tenants	1	Monthly rent (incl. common area charges)	¥ 8,233 thousand
Number of leasable units	55	Deposits, guarantees, etc.	¥ 11,698 thousand
Number of leased units	51	Occupancy rate	90.7%
Leasable floor area	1,961.52m <sup>2</sup>		
Leased floor area	1,779.73m <sup>2</sup>	<b>Breakdown of Residential Unit Type</b>	
Type	As a percentage of total number of units	Property management company	Daiwa Living Co., Ltd. (planned)
Compact Type	96%	Master lease company	Daiwa Living Management

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			Co., Ltd. (planned)
Family Type	4%	Master lease type	Pass-through type
<b>Engineering Report</b>			
Building investigation agency	Tokio Marine & Nichido Risk Consulting Co., Ltd.	Earthquake resistance investigation agency	Tokio Marine & Nichido Risk Consulting Co., Ltd.
Report date	September 2013	Report date	July 2013
Emergency repair expenses	0	Earthquake probable maximum loss	7.0%
Short-term repair expenses (within 1 year)	0	Soil environment investigation agency	Tokio Marine & Nichido Risk Consulting Co., Ltd.
Long-term repair expenses (next 12 years)	¥37,088 thousand	Report date	September 2013
Building replacement cost	¥483,300 thousand	Summary of engineering report	No matters were pointed out in particular.
<b>Building Developer, Designer, Structural Designer, Building Contractor and Building Confirmation Agency</b>			
Building developer	(New construction) Individual	Building contractor	(New construction) Iwata Kensetsu Co., Ltd. Tokyo branch
	(Renovation construction) MORIMOTO Co., Ltd.		(Renovation construction) Kyutetsu Corporation.
Building designer	(New construction) Nihon Kenchiku Sekkei Co., Ltd.	Building confirmation agency	(New construction) Tokyo Metropolitan
	(Renovation construction) Shigeru Aoki Architect & Associates Inc.		
Structural designer	(New construction) Nihon Kenchiku Sekkei Co., Ltd.		(Renovation construction) Meguro-ku
	(Renovation construction) Kyushu C&C office		
<b>Other Information</b>			
(Note) No name, etc. is shown as the seller has not consented to such disclosure. Please note that the present titleholder does not constitute a party with particular vested interest in DHI or the Asset Manager.			
<b>Location Environment and Other Property Characteristics</b>			
The property is located approximately eight minutes' walk from Gakugeidaigaku Station on the Tokyu Toyoko Line in a residential district lined with general housing, low- to medium-rise apartment buildings, etc. There is little vehicular traffic in the surrounding area since the property is situated behind an arterial road, forming a peaceful living environment. Constructed in 1969, the building is quite some years old. However, the facilities and equipment that are commonly anticipated are in place and the status of maintenance management is good as a result of a full-scale renewal of the exterior wall, common-use areas, facilities and equipment of rooms, etc. in renovation construction work conducted upon antiseismic reinforcement in 2007. In addition, the high design features of the exterior, finishing, facilities and equipment as well as the floor layout, etc. are on par with relatively-newly-built competitive properties in the surrounding area, and are competitive within the same demand/supply area. The property is a winner of the Good Design Award 2008.			
<b>Matters of Special Note</b>			
The property's building became kizon futekikaku (structures that conformed to the law when constructed but no longer conform to the law as a result of subsequent laws or amendments, but are not categorized as illegal structures) due to sun shadow restrictions on medium- to high-rise structures and height-control setback restrictions with change of the property's zoning from residential district to category 1 medium- to high-rise exclusive residential district since new construction of the property's building. There is thus the possibility that a building of the same size and same height may not be able to be built in the event that the property's building is to be rebuilt in the future.			

#### (5) Property 5 Castalia Omori III

Name and Location, etc. of Respective Real Estate		
Type of specified asset	Beneficiary right in trust that places real estate in trust	
Present titleholder	Limited liability company in Japan (Note)	
Trustee	Sumitomo Mitsui Trust Bank, Limited	
Expiration date of trust period	September 30, 2023	
Location	Lot number	5-20-2, Minami-ooi, Shinagawa-ku, Tokyo
	Residence indication	5-21-11, Minami-ooi, Shinagawa-ku, Tokyo



Land	Form of ownership		Proprietary ownership	
	Site area		701.48m <sup>2</sup>	
	Zoning		Quasi-industrial zone	
	Building coverage ratio / Floor area ratio		60% / 300%	
Building	Form of ownership		Proprietary ownership	
	Usage		Apartment complex	
	Total floor area		2,411.83m <sup>2</sup>	
	Structure / Number of floors		RC structure, 8F	
Construction completion date		February 17, 2008		
<b>Overview of Leasing (as of August 31, 2013)</b>				
Total number of tenants	1	Monthly rent (incl. common area charges)	¥7,590 thousand	
Number of leasable units	74	Deposits, guarantees, etc.	¥11,914 thousand	
Number of leased units	67	Occupancy rate	88.8%	
Leasable floor area	2,004.80m <sup>2</sup>			
Leased floor area	1,779.51m <sup>2</sup>	<b>Breakdown of Residential Unit Type</b>		
Type	As a percentage of total number of units	Property management company	Daiwa Living Co., Ltd. (planned)	
Compact Type	100%	Master lease company	Daiwa Living Management Co., Ltd. (planned)	
Family Type	—	Master lease type	Pass-through type	
<b>Engineering Report</b>				
Building investigation agency	Tokio Marine & Nichido Risk Consulting Co., Ltd.	Earthquake resistance investigation agency	Tokio Marine & Nichido Risk Consulting Co., Ltd.	
Report date	September 2013	Report date	July 2013	
Emergency repair expenses	0	Earthquake probable maximum loss	3.7%	
Short-term repair expenses (within 1 year)	0	Soil environment investigation agency	Tokio Marine & Nichido Risk Consulting Co., Ltd.	
Long-term repair expenses (next 12 years)	¥24,125 thousand	Report date	September 2013	
Building replacement cost	¥499,500 thousand	Summary of engineering report	No matters were pointed out in particular.	
<b>Building Developer, Designer, Structural Designer, Building Contractor and Building Confirmation Agency</b>				
Building developer	MORIMOTO Co.,Ltd.	Building contractor	Kurimoto Construction Industry,Ltd. Tokyo brunch	
Building designer	NipponArchitectural Consultant. Co., Ltd.	Building confirmation agency	UHEC Co.,Ltd.	
Structural designer	Beams Design Consultant Co.,Ltd.			
<b>Other Information</b>				
(Note) No name, etc. is shown as the seller has not consented to such disclosure. Please note that the present titleholder does not constitute a party with particular vested interest in DHI or the Asset Manager..				
<b>Location Environment and Other Property Characteristics</b>				
The property is located approximately nine minutes' walk from Omori Station on the JR Keihin Tohoku Line and also approximately eleven minutes' walk from Tachiaigawa Station on the Keikyu Main Line. In this manner, the property is accessible via several stations on several lines. Access to downtown Tokyo, such as Shinagawa Station and Tokyo Station, is excellent, making the area one that is recognized to have stable residential demand from commuters. The property stands in a mixed residential and commercial district lined with general housing, apartment buildings, stores, etc. and boasts an exterior with design features and superior interior facilities and equipment. These and other factors suggest that relatively stable rental demand can be anticipated from mainly one-person households.				
<b>Matters of Special Note</b>				
N/A				

#### (6) Property 6 Castalia Musashikosugi

<b>Name and Location, etc. of Respective Real Estate</b>	
Type of specified asset	Beneficiary right in trust that places real estate in trust
Present titleholder	Limited liability company in Japan (Note 1)

*This English language notice is a translation of the Japanese language notice and was prepared solely for the convenience of, and reference by, overseas investors. DHI makes no warranties as to its accuracy or completeness.*

Trustee		Sumitomo Mitsui Trust Bank, Limited	
Expiration date of trust period		September 30, 2023	
Location	Lot number	20-1, Imaikami-cho, Nakahara-ku, Kawasaki city, Kanagawa Prefecture	
	Residence indication	20-1, Imaikami-cho, Nakahara-ku, Kawasaki city, Kanagawa Prefecture (Note 2)	
Land	Form of ownership	Proprietary ownership	
	Site area	1,150.50m <sup>2</sup>	
	Zoning	Quasi-residential zone, Class 1 residential zone	
	Building coverage ratio / Floor area ratio	60% / 200%	
Building	Form of ownership	Proprietary ownership	
	Usage	Apartment complex	
	Total floor area	2,664.68m <sup>2</sup>	
	Structure / Number of floors	RC structure, 7F	
Construction completion date		November 29, 2007	
<b>Overview of Leasing (as of August 31, 2013)</b>			
Total number of tenants	1	Monthly rent (incl. common area charges)	¥ 8,646 thousand
Number of leasable units	85	Deposits, guarantees, etc.	¥ 12,245 thousand
Number of leased units	79	Occupancy rate	92.7%
Leasable floor area	2,179.80m <sup>2</sup>		
Leased floor area	2,021.55m <sup>2</sup>	<b>Breakdown of Residential Unit Type</b>	
Type	As a percentage of total number of units	Property management company	Daiwa Living Co., Ltd. (planned)
Compact Type	100%	Master lease company	Daiwa Living Management Co., Ltd. (planned)
Family Type	—	Master lease type	Pass-through type
<b>Engineering Report</b>			
Building investigation agency	Tokio Marine & Nichido Risk Consulting Co., Ltd.	Earthquake resistance investigation agency	Tokio Marine & Nichido Risk Consulting Co., Ltd.
Report date	September 2013	Report date	July 2013
Emergency repair expenses	0	Earthquake probable maximum loss	6.4%
Short-term repair expenses (within 1 year)	0	Soil environment investigation agency	Tokio Marine & Nichido Risk Consulting Co., Ltd.
Long-term repair expenses (next 12 years)	¥27,150 thousand	Report date	September 2013
Building replacement cost	¥558,900 thousand	Summary of engineering report	No matters were pointed out in particular.
<b>Building Developer, Designer, Structural Designer, Building Contractor and Building Confirmation Agency</b>			
Building developer	MORIMOTO Co.,Ltd.	Building contractor	Kihara Kensetsu Co., Ltd. Tokyo brunch
Building designer	Atelier MORUFU Architects INC.	Building confirmation agency	Japan Constructive Inspect Association
Structural designer	Naka Kenchiku Sekkei first-class architect office		
<b>Other Information</b>			
(Note 1) No name, etc. is shown as the seller has not consented to such disclosure. Please note that the present titleholder does not constitute a party with particular vested interest in DHI or the Asset Manager.			
(Note 2) The address of the property does not comply with residence indication.			
<b>Location Environment and Other Property Characteristics</b>			
The property is located approximately eight minutes' walk from Musashikosugi Station on the Tokyu Toyoko Line and JR Nambu Line and approximately fifteen minutes' walk from Musashikosugi Station on the JR Yokosuka Line. The area boasts excellent living comfort in that it is a residential district lined with general detached housing, apartment buildings, etc. where there is a stream with Imaikamimachi Ryokudo (greenway) in the neighborhood and such. With the opening of the JR Yokosuka Line station in March 2010 leading to a marked improvement in access to Narita Airport, Tokyo Station, etc., start of also the Tokyu Toyoko Line link to the Tokyo Metro Fukutoshin Line and such, Musashikosugi Station's transportation convenience is heightening. The station vicinity has ongoing large-scale redevelopment projects			

and the opening of a large-scale retail facility, construction of a large shopping center and plan for a super-high-rise condominium complex are underway. Therefore, greater convenience, growing population, etc. can continue to be anticipated.

**Matters of Special Note**

N/A

4. Seller Profile

The seller is a Limited liability company in Japan. No name, etc. is shown as the seller has not consented to such disclosure. Please note that the seller does not constitute a party with particular vested interest in DHI or the Asset Manager.

5. Broker Profile

Names and commission is not shown as the broker has not consented to such disclosure. Please note that the broker does not constitute a party with particular vested interest in DHI or the Asset Manager.

6. Status of Property Owners, etc.

Entry is omitted since the property is not acquired from a party with particular vested interest in DHI or the Asset Manager.

7. Relationship with Interested Party

Daiwa Living Co., Ltd. (planned property management), Daiwa Living Management Co., Ltd. (planned master lease company) and Sumitomo Mitsui Trust Bank, Limited (trustee) constitute interested parties as set forth in the bylaws of the Asset Manager. Consequently, such transactions have undergone the procedures required by the Interested-Party Transaction Rules bylaws of the Asset Manager.

8. Matters Concerning Earthquake Resistance, etc.

Of the to-be-acquired assets, DHI outsourced the examination/confirmation of earthquake-resistant structure content, including structural calculation documents, to a professional third party institution (Tokio Marine & Nichido Risk Consulting Co., Ltd.) and has received a statement that no willful alteration of the structural calculation documents by the building designer is suspected of the building of the to-be-acquired asset. In addition, DHI has received a statement concerning the structural design and it is judged that the design is generally in accordance with the provisions of earthquake resistance of the Building Standards Act and its ordinances for enforcement, etc.

In addition, in the course of due diligence upon property acquisition, DHI has earthquake risk

analyses conducted separate to the investigation of examination/confirmation conducted by the confirmation and investigation agencies. The analyses are based on a design drawing review, ground survey, etc. using structural drawings, structural calculation documents and other materials.

## 9. Future Prospects

For operation status forecasts for the fiscal period ending in February 28, 2014 (16th Fiscal Period: from September 1, 2013 to February 28, 2014) and August 31, 2014 (17th Fiscal Period: from March 1, 2014 to August 31, 2014) that take the Acquisition into account are currently being assessed and will be announced once determined. Kessan Tanshin for the 15th Fiscal Period will be announced on October 10, 2013.

\* This press release (original Japanese version) is to be distributed to the Kabuto Club (the press club of the Tokyo Stock Exchange); the Ministry of Land, Infrastructure, Transport and Tourism Press Club; and the Ministry of Land, Infrastructure, Transport and Tourism Press Club for Construction Publications.

\* URL of the DHI's website: <http://daiwahouse-resi-reit.co.jp/eng/>

[Reference]

1. Summary of Real Estate Appraisal

Property 1) Castalia Hatsudai II

Real estate appraiser	Morii Appraisal & Investment Consulting, Inc.	Date of value opinion: September 1, 2013 Date of appraisal: September 6, 2013
Final opinion of value	2,030,000,000	
A. Value indicated by the cost approach	1,560,000,000	
B. Value indicated by the income approach	2,030,000,000	
1. Value indicated by the income approach based on the direct capitalization method	2,060,000,000	
(1) Total revenue	123,260,000	①+②+③-④
① Rent income	123,010,000	
② Parking space income	3,672,000	
③ Other income	4,714,000	
④ Losses from vacancies, etc.	8,136,000	
(2) Total expenses	22,675,000	Sum total of a. to j.
a. Repair expenses	778,000	
b. Restoration expenses	1,261,000	
c. Maintenance and management expenses	4,596,000	
d. Utilities expenses	1,613,000	
e. Property management fee	3,460,000	
f. Taxes and dues	5,936,000	
g. Non-life insurance expenses	137,000	
h. Leasing fee	3,173,000	
i. Renewal fee	1,385,000	
j. Other expenses	336,000	CATV connection fee
(3) Operating income from property leasing	100,585,000	(1) - (2)
(4) Operating revenue from deposits/guarantees, etc.	278,000	
(5) Capital expenditures	1,816,000	Based on an assessment (taking into consideration the engineering report)
(6) Net operating income	99,047,000	(3) + (4) - (5)
(7) Cap rate	4.8%	
2. Value indicated by the income approach based on the DCF method	1,990,000,000	
Discount rate	4.5%	
Terminal cap rate	5.1%	



**Property 2) Castalia Ebisu**

Real estate appraiser	Morii Appraisal & Investment Consulting, Inc.	Date of value opinion: September 1, 2013 Date of appraisal: September 6, 2013
Final opinion of value	1,520,000,000	
A. Value indicated by the cost approach	1,140,000,000	
B. Value indicated by the income approach	1,520,000,000	
1. Value indicated by the income approach based on the direct capitalization method	1,540,000,000	
(1) Total revenue	89,555,000	①+②+③-④
① Rent income	90,361,000	
② Parking space income	5,280,000	
③ Other income	2,128,000	
④ Losses from vacancies, etc.	8,214,000	
(2) Total expenses	16,043,000	Sum total of a. to j.
a. Repair expenses	526,000	
b. Restoration expenses	849,000	
c. Maintenance and management expenses	3,557,000	
d. Utilities expenses	1,024,000	
e. Property management fee	2,535,000	
f. Taxes and dues	3,933,000	
g. Non-life insurance expenses	95,000	
h. Leasing fee	2,157,000	
i. Renewal fee	1,065,000	
j. Other expenses	302,000	CATV connection fee
(3) Operating income from property leasing	73,512,000	(1) - (2)
(4) Operating revenue from deposits/guarantees, etc.	273,000	
(5) Capital expenditures	1,227,000	Based on an assessment (taking into consideration the engineering report)
(6) Net operating income	72,558,000	(3) + (4) - (5)
(7) Cap rate	4.7%	
2. Value indicated by the income approach based on the DCF method	1,490,000,000	
Discount rate	4.4%	
Terminal cap rate	5.0%	

**Property 3) Castalia Meguro Choijamaru**

Real estate appraiser	Morii Appraisal & Investment Consulting, Inc.	Date of value opinion: September 1, 2013 Date of appraisal: September 6, 2013
Final opinion of value	2,150,000,000	
A. Value indicated by the cost approach	1,900,000,000	
B. Value indicated by the income approach	2,150,000,000	
1. Value indicated by the income approach based on the direct capitalization method	2,190,000,000	
(1) Total revenue	126,576,000	①+②+③-④
① Rent income	126,261,000	
② Parking space income	5,400,000	
③ Other income	4,058,000	
④ Losses from vacancies, etc.	9,143,000	
(2) Total expenses	22,460,000	Sum total of a. to j.
a. Repair expenses	710,000	
b. Restoration expenses	1,243,000	
c. Maintenance and management expenses	2,856,000	
d. Utilities expenses	2,004,000	
e. Property management fee	3,559,000	
f. Taxes and dues	6,556,000	
g. Non-life insurance expenses	127,000	
h. Leasing fee	3,755,000	
i. Renewal fee	1,291,000	
j. Other expenses	359,000	CATV connection fee, Neighborhood association fee
(3) Operating income from property leasing	104,116,000	(1) - (2)
(4) Operating revenue from deposits/guarantees, etc.	288,000	
(5) Capital expenditures	1,658,000	Based on an assessment (taking into consideration the engineering report)
(6) Net operating income	102,746,000	(3) + (4) - (5)
(7) Cap rate	4.7%	
2. Value indicated by the income approach based on the DCF method	2,110,000,000	
Discount rate	4.4%	
Terminal cap rate	5.0%	

**Property 4) Castalia Meguro Takaban**

Real estate appraiser	Morii Appraisal & Investment Consulting, Inc.	Date of value opinion: September 1, 2013 Date of appraisal: September 6, 2013
Final opinion of value	1,790,000,000	
A. Value indicated by the cost approach	1,530,000,000	
B. Value indicated by the income approach	1,790,000,000	
1. Value indicated by the income approach based on the direct capitalization method	1,820,000,000	
(1) Total revenue	109,793,000	①+②+③-④
① Rent income	107,908,000	
② Parking space income	7,560,000	
③ Other income	3,680,000	
④ Losses from vacancies, etc.	9,355,000	
(2) Total expenses	16,952,000	Sum total of a. to j.
a. Repair expenses	927,000	
b. Restoration expenses	1,614,000	
c. Maintenance and management expenses	3,122,000	
d. Utilities expenses	854,000	
e. Property management fee	3,088,000	
f. Taxes and dues	2,701,000	
g. Non-life insurance expenses	106,000	
h. Leasing fee	3,028,000	
i. Renewal fee	1,149,000	
j. Other expenses	363,000	CATV connection fee
(3) Operating income from property leasing	92,841,000	(1) - (2)
(4) Operating revenue from deposits/guarantees, etc.	250,000	
(5) Capital expenditures	2,163,000	Based on an assessment (taking into consideration the engineering report)
(6) Net operating income	90,928,000	(3) + (4) - (5)
(7) Cap rate	5.0%	
2. Value indicated by the income approach based on the DCF method	1,760,000,000	
Discount rate	4.7%	
Terminal cap rate	5.3%	

**Property 5) Castalia Omori III**

Real estate appraiser	Morii Appraisal & Investment Consulting, Inc.	Date of value opinion: September 1, 2013 Date of appraisal: September 6, 2013
Final opinion of value	1,660,000,000	
A. Value indicated by the cost approach	969,000,000	
B. Value indicated by the income approach	1,660,000,000	
1. Value indicated by the income approach based on the direct capitalization method	1,690,000,000	
(1) Total revenue	102,689,000	①+②+③-④
① Rent income	102,478,000	
② Parking space income	3,120,000	
③ Other income	3,241,000	
④ Losses from vacancies, etc.	6,150,000	
(2) Total expenses	18,684,000	Sum total of a. to j.
a. Repair expenses	603,000	
b. Restoration expenses	1,217,000	
c. Maintenance and management expenses	3,636,000	
d. Utilities expenses	1,164,000	
e. Property management fee	2,889,000	
f. Taxes and dues	4,424,000	
g. Non-life insurance expenses	109,000	
h. Leasing fee	2,991,000	
i. Renewal fee	1,029,000	
j. Other expenses	622,000	CATV connection fee, Neighborhood association fee
(3) Operating income from property leasing	84,005,000	(1) - (2)
(4) Operating revenue from deposits/guarantees, etc.	231,000	
(5) Capital expenditures	1,407,000	Based on an assessment (taking into consideration the engineering report)
(6) Net operating income	82,829,000	(3) + (4) - (5)
(7) Cap rate	4.9%	
2. Value indicated by the income approach based on the DCF method	1,630,000,000	
Discount rate	4.6%	
Terminal cap rate	5.2%	

**Property 6) Castalia Musashikosugi**

Real estate appraiser	Morii Appraisal & Investment Consulting, Inc.	Date of value opinion: September 1, 2013 Date of appraisal: September 6, 2013
Final opinion of value	1,750,000,000	
A. Value indicated by the cost approach	1,270,000,000	
B. Value indicated by the income approach	1,750,000,000	
1. Value indicated by the income approach based on the direct capitalization method	1,780,000,000	
(1) Total revenue	113,579,000	①+②+③-④
① Rent income	111,637,000	
② Parking space income	4,536,000	
③ Other income	3,491,000	
④ Losses from vacancies, etc.	6,085,000	
(2) Total expenses	19,826,000	Sum total of a. to j.
a. Repair expenses	679,000	
b. Restoration expenses	1,306,000	
c. Maintenance and management expenses	3,872,000	
d. Utilities expenses	1,028,000	
e. Property management fee	3,195,000	
f. Taxes and dues	4,636,000	
g. Non-life insurance expenses	126,000	
h. Leasing fee	3,203,000	
i. Renewal fee	1,130,000	
j. Other expenses	651,000	CATV connection fee, Neighborhood association fee
(3) Operating income from property leasing	93,753,000	(1) - (2)
(4) Operating revenue from deposits/guarantees, etc.	254,000	
(5) Capital expenditures	1,584,000	Based on an assessment (taking into consideration the engineering report)
(6) Net operating income	92,423,000	(3) + (4) - (5)
(7) Cap rate	5.2%	
2. Value indicated by the income approach based on the DCF method	1,720,000,000	
Discount rate	4.9%	
Terminal cap rate	5.5%	



## 2. Real Estate Portfolio List after Acquisition of Property

	Area (Note 1)	Property No.	Property Name	Acquisition Date (planned) (Note 2)	Acquisition Price (planned) (Note 3)	Investment Ratio (Note 4)	
Residential	Area 1	1001	Qiz Ebisu	March 22, 2006	7,650	3.3%	
		1002	Castalia Azabujuban Shichimenzaka	March 22, 2006	4,500	1.9%	
		1003	Castalia Shibakoen	March 22, 2006	2,630	1.1%	
		1004	Castalia Ginza	March 22, 2006	2,520	1.1%	
		1005	Castalia Hiroo	March 22, 2006	2,220	1.0%	
		1006	Castalia Nihonbashi	March 22, 2006	1,200	0.5%	
		1007	Castalia Hacchobori	March 7, 2007	2,300	1.0%	
		1008	Castalia Azabujuban	June 21, 2007	2,910	1.3%	
		1009	Castalia Azabujuban II	June 21, 2007	2,690	1.2%	
		1010	Castalia Shinjuku Natsumezaka	June 21, 2007	1,865	0.8%	
		1011	Castalia Ginza II	June 21, 2007	1,800	0.8%	
		1012	Castalia Shibuya Sakuragaoka	June 21, 2007	1,400	0.6%	
		1015	Castalia Nishi Azabu Kasumicho	April 1, 2010	2,143	0.9%	
		1016	Castalia Ochanomizu	April 1, 2010	1,770	0.8%	
		1017	Castalia Sangubashi	April 1, 2010	1,393	0.6%	
		1018	Castalia Suitengu	April 1, 2010	1,279	0.6%	
		1019	Castalia Suitengu II	April 1, 2010	1,138	0.5%	
		1020	Castalia Shintomicho	April 1, 2010	932	0.4%	
		1021	Castalia Shintomicho II	April 1, 2010	825	0.4%	
		1022	Castalia Harajuku	April 1, 2010	887	0.4%	
		1023	Castalia Yoyogi Uehara	April 1, 2010	608	0.3%	
		1024	Castalia Sendagaya	April 1, 2010	555	0.2%	
		1025	Castalia Shinjuku 7 chome	April 1, 2010	464	0.2%	
		1027	Castalia Ningyocho	April 1, 2010	947	0.4%	
		1028	Castalia Ningyocho II	April 1, 2010	1,070	0.5%	
		1029	Castalia Shin-Ochanomizu	April 1, 2010	914	0.4%	
		1030	Castalia Higashi Nihonbashi II	April 1, 2010	1,370	0.6%	
		1031	Castalia Jinbocho	April 1, 2010	1,160	0.5%	
		1032	Castalia Shintomicho III	April 1, 2010	675	0.3%	
		1033	Castalia Shinjuku Gyoen	April 1, 2010	2,720	1.2%	
	1034	Castalia Takanawadai	April 1, 2010	860	0.4%		
	1035	Castalia Higashi Nihonbashi III	April 1, 2010	666	0.3%		
	1036	Castalia Shinjuku Gyoen II	April 1, 2010	486	0.2%		
	1037	Castalia Shintomicho IV	April 1, 2010	400	0.2%		
	1038	Castalia Takanawadai II	April 1, 2010	1,190	0.5%		
	1039	Castalia Minami Azabu	April 1, 2010	642	0.3%		
	1040	Castalia Ginza III	April 1, 2010	2,880	1.2%		
	1041	Castalia Kayabacho	April 1, 2010	2,707	1.2%		
	1042	Castalia Takanawa	April 1, 2010	7,430	3.2%		
	1043	Castalia Higashi Nihonbashi	April 1, 2010	3,520	1.5%		
	1045	Castalia Shinjuku	April 1, 2010	2,950	1.3%		
	1046	Castalia Ichigaya	June 29, 2010	940	0.4%		
	1047	Shibaura Island Bloom Tower	October 18, 2011	7,580	3.3%		
	1048	Castalia Hatsudai	December 19, 2011	2,030	0.9%		
	1049	Castalia Hatsudai II	September 27, 2013 (planned)	1,900	0.8%		
	1050	Castalia Ebisu	September 27, 2013 (planned)	1,420	0.6%		
	Subtotal					92,136	39.8%
		Area 2	2001	Castalia Meguro Kamurozaka	December 20, 2005	4,500	1.9%
			2002	IPSE Toritsudaigaku	March 22, 2006	648	0.3%
			2004	Castalia Yukigaya	March 7, 2007	1,110	0.5%
	2005		Castalia Yutenji	June 21, 2007	1,450	0.6%	
	2006		Castalia Otsuka	June 21, 2007	1,480	0.6%	
	2007		Castalia Kikukawa	June 21, 2007	817	0.4%	
	2008		Castalia Meguro	April 1, 2010	844	0.4%	
	2009		Castalia Otsuka II	April 1, 2010	1,040	0.4%	

2010	Castalia Jiyugaoka	April 1, 2010	1,200	0.5%	
2011	Castalia Mejiro	April 1, 2010	988	0.4%	
2012	Castalia Ikebukuro	April 1, 2010	2,570	1.1%	
2013	Castalia Kaname-cho	April 1, 2010	1,140	0.5%	
2014	Castalia Tower Shinagawa Seaside	April 1, 2010	7,380	3.2%	
2015	Castalia Yakumo	April 1, 2010	857	0.4%	
2016	Castalia Togoshiekimae	April 1, 2010	1,560	0.7%	
2018	Castalia Honjo Azumabashi	April 1, 2010	996	0.4%	
2019	Castalia Kitazawa	April 1, 2010	742	0.3%	
2020	Castalia Monzennakacho	April 1, 2010	503	0.2%	
2023	Castalia Kamiikedai	April 1, 2010	198	0.1%	
2024	Castalia Morishita	April 1, 2010	832	0.4%	
2025	Castalia Wakabayashi koen	April 1, 2010	776	0.3%	
2026	Castalia Asakusabashi	April 1, 2010	792	0.3%	
2027	Castalia Iriya	April 1, 2010	546	0.2%	
2028	Castalia Kita Ueno	April 1, 2010	2,641	1.1%	
2029	Castalia Morishita II	April 1, 2010	686	0.3%	
2030	Castalia Minowa	April 1, 2010	1,430	0.6%	
2031	Castalia Oyamadai	April 1, 2010	533	0.2%	
2032	Castalia Nakano	April 1, 2010	1,060	0.5%	
2033	Castalia Yoga	April 1, 2010	923	0.4%	
2034	Castalia Sumiyoshi	April 1, 2010	948	0.4%	
2035	Castalia Monzennakacho II	April 1, 2010	2,160	0.9%	
2036	Castalia Oshiage	April 1, 2010	1,100	0.5%	
2037	Castalia Kuramae	April 1, 2010	1,260	0.5%	
2038	Castalia Nakanobu	June 29, 2010	1,790	0.8%	
2039	Royal Parks Toyosu	November 1, 2010	7,360	3.2%	
2040	Castalia Togoshi	November 1, 2010	1,770	0.8%	
2041	Castalia Ooimachi	June 30, 2011	1,181	0.5%	
2042	Castalia Omori	August 2, 2011	1,500	0.6%	
2043	Castalia Mishuku	October 7, 2011	1,900	0.8%	
2044	Castalia Arakawa	March 28, 2012	1,660	0.7%	
2045	Castalia Omori II	March 29, 2012	2,370	1.0%	
2046	Castalia Nakameguro	November 29, 2012	3,800	1.6%	
2047	Castalia Meguro Chojyamaru	September 27, 2013 (planned)	2,030	0.9%	
2048	Castalia Meguro Takaban	September 27, 2013 (planned)	1,750	0.8%	
2049	Castalia Omori III	September 27, 2013 (planned)	1,520	0.7%	
Subtotal			74,341	32.1%	
Area 3	3001	Cosmo Heim Musashikosugi	March 22, 2006	1,674	0.7%
	3002	Castalia Tsurumi	June 21, 2007	666	0.3%
	3003	Castalia Funabashi	April 1, 2010	704	0.3%
	3006	Castalia Nishi Funabashi	April 1, 2010	783	0.3%
	3007	Castalia Maihama	April 1, 2010	670	0.3%
	3008	Castalia Ichikawamyoden	April 1, 2010	671	0.3%
	3010	Castalia Urayasu	April 1, 2010	592	0.3%
	3011	Castalia Minamigyotoku	April 1, 2010	543	0.2%
	3012	Castalia Minamigyotoku II	April 1, 2010	385	0.2%
	3013	Castalia Nogeiyama	April 1, 2010	325	0.1%
	3017	Castalia Ichikawa	April 1, 2010	461	0.2%
	3018	Royal Parks Hanakoganei	October 7, 2011	5,300	2.3%
	3019	Castalia Musashikosugi	September 27, 2013 (planned)	1,680	0.7%
Subtotal			14,454	6.2%	
Area 4	4001	Castalia Shinsakae	December 20, 2005	1,920	0.8%
	4008	Aprile Tarumi	April 1, 2010	1,340	0.6%
	4009	Crest Kusatsu	April 1, 2010	3,004	1.3%
	4010	Castalia Sakaisuji Honmachi	April 1, 2010	1,490	0.6%
	4011	Castalia Shin-Umeda	April 1, 2010	1,376	0.6%
	4012	Castalia Abeno	April 1, 2010	4,368	1.9%
	4014	Castalia Sakae	April 1, 2010	1,010	0.4%

4015	Castalia Nipponbashi Kouzu	April 1, 2010	3,570	1.5%		
4016	Castalia Maruyama Urasando	April 1, 2010	411	0.2%		
4017	Castalia Maruyama Omotesando	April 1, 2010	1,740	0.8%		
4018	Castalia Higashi Hie	April 1, 2010	960	0.4%		
4019	Castalia Tower Nagahoribashi	April 1, 2010	3,400	1.5%		
4020	Castalia Sannomiya	April 1, 2010	1,230	0.5%		
4021	Castalia Kotodaikoen	April 1, 2010	481	0.2%		
4022	Castalia Ichibancho	April 1, 2010	783	0.3%		
4023	Castalia Omachi	April 1, 2010	656	0.3%		
4024	Castalia Uemachidai	April 1, 2010	2,190	0.9%		
4025	Castalia Tower Higobashi	April 1, 2010	2,670	1.2%		
4026	Big Tower Minami Sanjo	November 1, 2010	1,740	0.8%		
4027	Castalia Fushimi	January 14, 2011	2,260	1.0%		
4028	Castalia Meieki Minami	August 1, 2011	720	0.3%		
4029	Castalia Yakuin	September 26, 2011	930	0.4%		
4030	Castalia Mibu	December 22, 2011	1,193	0.5%		
4031	Castalia Tsutsujigaoka	September 3, 2012	1,209	0.5%		
4032	Castalia Ohori Bay Tower	March 25, 2013	2,910	1.3%		
4033	Royal Parks Namba	March 29, 2013	2,830	1.2%		
4034	Castalia Shigahondori	June 26, 2013	1,730	0.7%		
Subtotal			48,120	20.8%		
Subtotal			229,051	99.0%		
Residential	Area 3	6001	Urban Living Inage	June 24, 2013	930	0.4%
(Residential properties for the elderly)			Subtotal	930	0.4%	
Residential Subtotal			229,981	99.4%		
Retail	Area 4	8002	FOLEO TOWN Tsutsui	March 23, 2007	1,410	0.6%
Subtotal			1,410	0.6%		
Total			231,391	100.0%		

(Note 1) Under “Area,” “Area 1” refers to the 5 major wards of Tokyo (Chiyoda, Chuo, Minato, Shibuya and Shinjuku Wards), “Area 2” refers to the wards of Tokyo excluding “Area 1,” “Area 3” refers to the Tokyo metropolitan area (Tokyo (excluding “Areas 1” and “Area 2”), Kanagawa, Saitama and Chiba Prefectures), and “Area 4” refers to other cities (areas with populations of approximately 100,000 people or more).

(Note 2) “Acquisition Date (planned)” is entered as the effective date of the merger (April 1, 2010) for properties that were held by the former New City Residence Investment Corporation.

(Note 3) “Acquisition Price (planned)” is excluding such amounts as expenses related to acquisition, reimbursement of taxes and dues, etc., and consumption taxes. For properties that were held by the former New City Residence Investment Corporation, the price at which the properties were succeeded at the time of the merger (the appraisal value as of February 28, 2010) is shown. Amounts are rounded down to the nearest million yen.

(Note 4) “Investment Share” is the ratio of the acquisition price to the total amount of acquisition prices, rounded to one decimal place.

3. Photograph of the Property Planned for Acquisition

Property 1) Castalia Hatsudai II





Property 2) Castalia Ebisu





Property 3) Castalia Meguro Chojyamaru



Property 4) Castalia Meguro Takaban



Property 5) Castalia Omori III





Property 6) Castalia Musashikosugi

